

Arizona State Retirement System Bill Tracker
ASRS Related Legislation – 49th Legislature – First Regular Session
(For week ending Friday, February 6, 2009)

BILL	BILL STATUS	ADMINISTRATIVE COST	ACTUARIAL IMPACT
<p>HB 2111 – ASRS; amendments Sponsor: Boone As Amended in House PERER:</p> <ul style="list-style-type: none"> Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest 36 months in the last 120 months to the average of the highest 60 months in the last 120 months for a member whose membership commences on or after July 1, 2009. Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2009. Allows a member with five or more years of service to receive 25% of employer contributions upon termination of employment (by other than death or disability) for a member whose membership commences on or after July 1, 2009. Eliminates employer contribution refunds for a member whose membership commences on or after July 1, 2009. Removes the 80% cap on retirement benefits. Contains the provisions of all other 2009 ASRS Legislative Initiatives, including RTW. Appropriates \$1,341,000 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. 	<p>Status: 1/20 First Read 2/3 PERER DPA 8-0 Next Stop: Rules</p>	<p>As Introduced: The ASRS projects that it will cost \$1,341,000 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.</p>	<p>As Introduced: First actuarial effect for contribution rate beginning July 1, 2010.</p> <p>By 2039 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.34% Rule of 85: 0.28% Refunds: 0.19% (maximum savings of 0.28% reached in 2024-2025, gradually decreasing to .19% in FY2039.) ~37% greater savings by eliminating all ER refunds to 0.26% in FY2039. 80% Cap: 0.07%</p> <p>Present Value of Savings: Average Monthly Salary: \$405 M Rule of 85: \$251 M Refunds: \$274 M \$375 M for eliminating all ER refunds 80% Cap: \$69 M Total: \$999 M</p> <p>Projection based on no growth—savings will be higher if there is an increase in the active workforce.</p> <p>Return to Work Provisions: TBD, expected savings.</p>

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HB 2112 – ASRS; eliminate 80% benefit cap Sponsor: Boone As Introduced: Removes the 80% cap on retirement benefits. Note: likely not moving forward. See HB2111.	Status: 1/20 First Read Next Stop: PERER	As Introduced: None expected.	As Introduced: First actuarial effect for contribution rate beginning July 1, 2010. By 2039 total contribution rate (ER + EE) savings of: 80% Cap: 0.07% Present Value of Savings: 80% Cap: \$69 M Projection based on no growth—savings will be higher if there is an increase in the active workforce.
HB 2113 – ASRS; return of contributions Sponsor: Boone As Introduced: <ul style="list-style-type: none"> Allows a member with five or more years of service to receive 25% of employer contributions upon termination of employment (by other than death or disability) for a member whose membership commences on or after July 1, 2009. Appropriates \$232,332 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. Note: likely not moving forward. See HB2111.	Status: 1/20 First Read Next Stop: PERER	As Introduced: The ASRS projects that it will cost \$232,332 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	As Introduced: First actuarial effect for contribution rate beginning July 1, 2010. By 2039 total contribution rate (ER + EE) savings of: Refunds: 0.19% (maximum savings of 0.28% reached in 2024-2025, gradually decreasing to .19% in FY2039.) Present Value of Savings: Refunds: \$274 M Projection based on no growth—savings will be higher if there is an increase in the active workforce.
HB 2114 – ASRS; normal retirement date Sponsor: Boone As Introduced: <ul style="list-style-type: none"> Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2009. Appropriates \$346,071 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. Note: likely not moving forward. See HB2111.	Status: 1/20 First Read Next Stop: PERER	As Introduced: The ASRS projects that it will cost \$346,071 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	As Introduced: First actuarial effect for contribution rate beginning July 1, 2010. By 2039 total contribution rate (ER + EE) savings of: Rule of 85: 0.28% Present Value of Savings: Rule of 85: \$251 M Projection based on no growth—savings will be higher if there is an increase in the active workforce.

BILL	BILL STATUS	ADMINISTRATIVE COST	ACTUARIAL IMPACT
HB 2115 – ASRS; retirement average monthly salary Sponsor: Boone As Introduced: <ul style="list-style-type: none"> Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest 36 months in the last 120 months to the average of the highest 60 months in the last 120 months for a member whose membership commences on or after July 1, 2009. Appropriates \$763,319 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. <p>Note: likely not moving forward. See HB2111.</p>	Status: 1/20 First Read Next Stop: PERER	As Introduced: The ASRS projects that it will cost \$763,319 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	By 2039 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.34% Present Value of Savings: Average Monthly Salary: \$405 M Projection based on no growth—savings will be higher if there is an increase in the active workforce.

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<p>HB 2116 – ASRS; return to work Sponsor: Boone As Introduced: <u>Dual Employment</u></p> <ul style="list-style-type: none"> Permits contributions from a second ER only if the 20/20 Rule is met for that ER. <p><u>Contribution for Return to Work (RTW)</u></p> <ul style="list-style-type: none"> Requires ERs, beginning July 1, 2010, to pay an Alternate Contribution Rate (ACR) for members who RTW prior to 12 months as leased or contract EEs and who perform services that would otherwise be performed by a contributing EE. States, for a member whose most recent retirement was July 1, 2010 or later, that the time worked as a leased or contract EE does not count towards the 12 month requirement. Requires ERs to pay the ACR on behalf of any retiree that it employs unless no contributions have been made on behalf of that retiree for 12 months. Defines the ACR as the greater of 2% or 2 times the “deficit” payment (ER DB contribution rate + ER LTD contribution rate minus Normal Cost). <p><u>Dual Membership and RTW in Non-ASRS Position</u></p> <ul style="list-style-type: none"> Allows a retiree to immediately RTW in a non-ASRS position (i.e., not suspend retirement benefits) if the retiree RTW in a position that is: <ol style="list-style-type: none"> a true change from their pre-retirement position, does not require participation in ASRS, and either: <ol style="list-style-type: none"> requires participation in another retirement plan and the member makes those contributions (or if EORP, waives coverage) or permits the member to contribute to another plan and the member actually does participate. <p><u>Miscellaneous RTW Provisions</u></p> <ul style="list-style-type: none"> Requires an election to continue receiving benefits while working to be irrevocable for the remainder of employment. Requires employers to submit data and reports as required by the ASRS to determine the compensation of leased and contract retirees and the usage of the return to work program. Makes other technical, conforming, and clarifying changes. 	<p>Status: 1/20 First Read Next Stop: PERER</p>	<p>As Introduced: None expected.</p>	<p>As Introduced: TBD, expected savings.</p>

BILL	BILL STATUS	ADMINISTRATIVE COST	ACTUARIAL IMPACT
HB 2117 – ASRS; public service credit; purchase Sponsor: Boone As Introduced: Expands the ASRS Service Purchase (SP) Program to time worked for the government of a United States commonwealth, insular area, or overseas possession.	Status: 1/20 First Read 1/20 PERER DP 6-0-0-2 Next Stop: Rules	As Introduced: None expected.	As Introduced: None expected.
HB 2118 – ASRS; LTD amendments Sponsor: Boone As Introduced: <ul style="list-style-type: none"> • Cross-references the LTD Program definitions with the ASRS Defined Benefit (DB) Plan. • Clarifies the LTD contribution rate calculation statute to provide consistency between the DB Plan and LTD Program rates. • Clarifies LTD Program offset statute to include amounts paid to the member <i>and</i> the member's dependents. • Clarifies the use of the word "benefit." 	Status: 1/20 First Read 1/20 PERER DP 6-0-0-2 Next Stop: 2/9 Rules	As Introduced: None expected.	As Introduced: None expected.
HB 2119 – ASRS; service credit transfers Sponsor: Boone As Introduced: Clarifies charter city transfers statute by stating that a member extinguishes all rights in the retirement system from which the member is transferring.	Status: 1/20 First Read 1/20 PERER DP 6-0-0-2 Next Stop: 2/9 Rules	As Introduced: None expected.	As Introduced: None expected.

BILL	BILL STATUS	ADMINISTRATIVE COST	ACTUARIAL IMPACT
SB 1345 – ASRS; amendments Sponsor: Gould As Introduced: <ul style="list-style-type: none"> Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest 36 months in the last 120 months to the average of the highest 60 months in the last 120 months for a member whose membership commences on or after July 1, 2009. Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2009. Allows a member with five or more years of service to receive 25% of employer contributions upon termination of employment (by other than death or disability) for a member whose membership commences on or after July 1, 2009. Removes the 80% cap on retirement benefits. Contains the provisions of all other 2009 ASRS Legislative Initiatives, including RTW. Appropriates \$1,341,000 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. 	Status: Not yet first read	As Introduced: The ASRS projects that it will cost \$1,341,000 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	As Opened: First actuarial effect for contribution rate beginning July 1, 2010. By 2039 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.34% Rule of 85: 0.28% Refunds: 0.19% (maximum savings of 0.28% reached in 2024-2025, gradually decreasing to .19% in FY2039.) 80% Cap: 0.07% Present Value of Savings: Average Monthly Salary: \$405 M Rule of 85: \$251 M Refunds: \$274 M 80% Cap: \$69 M Projection based on no growth—savings will be higher if there is an increase in the active workforce. Return to Work Provisions: TBD, expected savings.
SB 1350 – ASRS; termination incentive program requirements Sponsor: Gould As Introduced: Removes the requirement that in order to qualify as an Employer Termination Incentive Program (ERTIP) an agreement to terminate must be in writing and instead broadens to include incentives provided by an employer that are conditioned on the member's termination.	Status: Not yet first read	As Opened: None expected.	As Opened: TBD, expected savings.
SB 1351 – ASRS; service; military; purchase; requirements Sponsor: Gould As Introduced: Repeals the sunset clause from Laws 2007, Chapter 244 (HB 2148 ASRS; active military service credit) that allowed members who are called into US military service and who become disabled to purchase their military time even if they do not return to service for the same State employer.	Status: Not yet first read	As Opened: None expected.	As Introduced: None expected.

BILL	BILL STATUS	ADMINISTRATIVE COST	ACTUARIAL IMPACT
<p>SB 1352 – ASRS; return to work changes</p> <p>Sponsor: Gould</p> <p>As Introduced:</p> <p><u>Dual Employment</u></p> <ul style="list-style-type: none"> Permits contributions from a second ER only if the 20/20 Rule is met for that ER. <p><u>Contribution for Return to Work (RTW)</u></p> <ul style="list-style-type: none"> Requires ERs, beginning July 1, 2010, to pay an Alternate Contribution Rate (ACR) for members who RTW prior to 12 months as leased or contract EEs and who perform services that would otherwise be performed by a contributing EE. States, for a member whose most recent retirement was July 1, 2010 or later, that the time worked as a leased or contract EE does not count towards the 12 month requirement. Requires ERs to pay the ACR on behalf of any retiree that it employs unless no contributions have been made on behalf of that retiree for 12 months. Defines the ACR as the greater of 2% or 2 times the “deficit” payment (ER DB contribution rate + ER LTD contribution rate minus Normal Cost). <p><u>Dual Membership and RTW in Non-ASRS Position</u></p> <ul style="list-style-type: none"> Allows a retiree to immediately RTW in a non-ASRS position (i.e., not suspend retirement benefits) if the retiree RTW in a position that is: <ul style="list-style-type: none"> a true change from their pre-retirement position, does not require participation in ASRS, and either: <ul style="list-style-type: none"> a. requires participation in another retirement plan and the member makes those contributions (or if EORP, waives coverage) or b. permits the member to contribute to another plan and the member actually does participate. <p><u>Miscellaneous RTW Provisions</u></p> <ul style="list-style-type: none"> Requires an election to continue receiving benefits while working to be irrevocable for the remainder of employment. Requires employers to submit data and reports as required by the ASRS to determine the compensation of leased and contract retirees and the usage of the return to work program. Makes other technical, conforming, and clarifying changes. 	<p>Status: Folder Opened</p>	<p>As Opened: None expected.</p>	<p>As Opened: TBD, expected savings.</p>

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SB 1353 – ASRS; plan design amendments Sponsor: Gould As Introduced: <ul style="list-style-type: none"> Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest 36 months in the last 120 months to the average of the highest 60 months in the last 120 months for a member whose membership commences on or after July 1, 2009. Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2009. Allows a member with five or more years of service to receive 25% of employer contributions upon termination of employment (by other than death or disability) for a member whose membership commences on or after July 1, 2009. Removes the 80% cap on retirement benefits. Appropriates \$1,341,000 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. 	Status: Not yet first read	As Opened: The ASRS projects that it will cost \$1,341,000 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	As Opened: First actuarial effect for contribution rate beginning July 1, 2010. By 2039 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.34% Rule of 85: 0.28% Refunds: 0.19% (maximum savings of 0.28% reached in 2024-2025, gradually decreasing to .19% in FY2039.) 80% Cap: 0.07% Present Value of Savings: Average Monthly Salary: \$405 M Rule of 85: \$251 M Refunds: \$274 M 80% Cap: \$69 M Projection based on no growth—savings will be higher if there is an increase in the active workforce.
SB 1354 – ASRS; survivors; IRS conforming changes Sponsor: Gould As Introduced: Clarifies that non-retired survivor benefits a triggered by a member's death regardless of whether the member was employed.	Status: Folder Opened	As Opened: None expected.	As Introduced: None expected.
HB 2007 – CORP; return to work Sponsors: Konopnicki As Introduced: Permits a retired member of CORP to be employed by a member-employer and still receive a pension if the re-employment occurs at least 12 months after retirement and the employment involves "substantial" inmate contact. The retiree does not accrue additional credited service and does not contribute to the fund.	Status: 1/13 First Read 1/20 PERER DP 6-0-0-2 Next Stop: APPROP	As Introduced: None expected.	As Introduced: None expected.
HB 2015 – county retiree health insurance Sponsor: Konopnicki As Introduced: Permits counties with a population of less than 300,000 to use public funds to pay all or a part of health insurance premiums for retired employees who are members of one of the four state retirement plans.	Status: 1/13 First Read 1/26 NRRA DP 8-0-0-0 Next Stop: 2/10 PERER	As Introduced: None expected.	As Introduced: None expected.

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HB 2061 – CORP; probation officers; customary employment Sponsor: Konopnicki As Introduced: Allows AOC's probation, surveillance and juvenile detention officers to work 20 hours/week for 20+ weeks in the fiscal year and still retain CORP membership. Proposed PERER Amendment: States that the cost of a service purchase for a member working less than 40 hours is calculated based on the member's current hourly salary multiplied by 40 hours. <i>(not adopted—bill held)</i>	Status: 1/20 First Read 1/27 PERER HELD 2/3 PERER HELD Next Stop: PERER	As Introduced: None expected.	As Introduced: None expected.
HB 2084 – CORP; Arizona state hospital; employees Sponsor: Farley, Chabin As Introduced: <ul style="list-style-type: none"> Includes various Arizona State Hospital positions under DHS as employees eligible for CORP, if the employee has routine contact with patients. Requires DHS to establish a local board (which determines eligibility and performs other administrative duties for CORP employees). Requires DHS to enter a joinder agreement if it decides to transfer employees to CORP. Requires ASRS to transfer PDA service annually and at the employee's termination. The employer is liable for any funding deficiencies. Provides that all prior ASRS service will transfer to CORP unless the employee irrevocably elects to remain in ASRS. 	Status: 1/20 First Read Next Stop: PERER	As Introduced: TBD.	As Introduced: TBD, expected cost.
HB 2109 – retirement systems and plans; amendments Sponsor: Boone As Introduced: Makes changes to CORP, EORP, and PSPRS's qualified domestic relations order statutes.	Status: 1/20 First Read 1/20 PERER DP 6-0-0-2 Next Stop: Rules	As Introduced: None expected.	As Introduced: None expected.
HB 2110 – public retirement plans; federal changes Sponsor: Boone As Introduced: Makes federal conforming changes to CORP, EORP, and PSPRS statutes.	Status: Not yet first read 1/27 PERER DPA 8-0-0-0 Next Stop: Rules	As Introduced: None expected.	As Introduced: None expected.
HB 2325 – EORP; omnibus amendments Sponsor: Boone As Introduced: Makes clarifying, conforming, and technical changes to EORP statutes.	Status: 1/26 First Read Next Stop: 2/10 PERER	As Introduced: None expected.	As Introduced: None expected.

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HB 2326 – CORP; omnibus amendments Sponsor: Boone As Introduced: Makes clarifying, conforming, and technical changes to CORP statutes.	Status: 1/26 First Read Next Stop: 2/10 PERER	As Introduced: None expected.	As Introduced: None expected.
HB 2327 – PSPRS; omnibus amendments Sponsor: Boone As Introduced: Makes clarifying, conforming, and technical changes to PSPRS statutes.	Status: 1/26 First Read Next Stop: 2/10 PERER	As Introduced: None expected.	As Introduced: None expected.
HB 2506 – CORP; chaplains; membership Sponsor: Pancrazi, Aguirre; Jones, McGuire, Waters As Introduced: <ul style="list-style-type: none"> Includes Chaplains employed by DOC as employees eligible for CORP. Transfers all Chaplains who are ASRS members to CORP on the effective date. Requires ASRS to transfer the greater of the member's account balance or the present value of the member's benefit (only counting DOC Chaplain service). 	Status: Not yet first read	As Opened: TBD.	As Opened: TBD, expected cost.
SB 1116 – technical correction; PSPRS; deferred retirement Sponsor: S. Allen As Introduced: Makes a technical change to the PSPRS DROP statutes. Apparent striker vehicle.	Status: 1/15 First Read Not assigned to Committee	As Introduced: None expected.	As Introduced: None expected.
SB 1117 – technical correction; normal retirement date Sponsor: S. Allen As Introduced: Makes a technical change to the normal retirement statute. Apparent striker vehicle.	Status: 1/15 First Read Not assigned to Committee	As Introduced: None expected.	As Introduced: None expected.
SB 1118 – technical correction; defined contribution plan Sponsor: S. Allen As Introduced: Makes a technical change to the ASRS's legacy Defined Contribution Plan (the "System"). Apparent striker vehicle.	Status: 1/15 First Read Not assigned to Committee	As Introduced: None expected.	As Introduced: None expected.
SB 1161 – PSPRS; reemployment Sponsor: Pearce; Burges, Kavanagh, Konopnicki, Reagan, Tobin, Gorman, Harper Verschoor As Introduced: Requires PSPRS to suspend pension payments to a member who returns to work before 30 day after retirement or anytime if the retiree returns in the same position.	Status: 1/26 First Read Not assigned to Committee	As Introduced: None expected.	As Introduced: None expected.

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SB 1207 – EORP; participation; elected officials Sponsor: McCune Davis As Introduced: Does not require EORP participation for an elected official with 20+ years of service in EORP. Permits the elected official to elect EORP, ASRS, or no retirement system coverage. [Note: Currently EORP coverage is required unless waived, then membership is automatic in ASRS unless also waived.]	Status: Not yet first read	As Introduced: None expected.	As Introduced: None expected.
SB 1349 – public retirement systems; rural subsidy Sponsor: Gould As Introduced: Removes rural subsidy language from ASRS, PSPRS, CORP, and EORP statutes. [Note: Rural subsidy expires June 30, 2009.]	Status: Not yet first read	As Introduced: None expected.	As Introduced: None expected.

GUIDE TO ACRONYMS

AHCCCS	Arizona Health Care Cost Containment System	HHR	House Hearing Room
AMEND C&P	Constitutional and Proper as Amended by the House Rules Committee	HHS	Health and Human Services Committee (Hse)
AOC	Administrative Office of the Courts	Hse	House of Representatives
APPROP	Appropriations Committee (Hse & Sen)	JUD	Judiciary Committee (Hse & Sen)
ARS	Arizona Revised Statutes	LTD	Long Term Disability
ASRS	Arizona State Retirement System	Maj	Majority
B&I	Banking and Insurance Committee (Hse)	MAPS	Military Affairs and Public Safety Committee (Hse)
CC	Conference Committee	Min	Minority
C&P	Constitutional and Proper	NRIPD	Natural Resources, Infrastructure and Public Debt Committee (Sen)
CED	Commerce and Economic Development Committee (Sen)	NRRA	Natural Resources and Rural Affairs (Hse)
COM	Commerce Committee	PERER	Public Employees, Retirement and Entitlement Reform Committee (Hse)
CORP	Corrections Officer Retirement Plan	PFC	Proper for Consideration
COW	Committee of the Whole	PFCA	Proper for Consideration as Amended by the Senate Rules Committee
DHS	Department of Health Services	PSHS	Public Safety and Human Services Committee (Sen)
DOC	Arizona Department of Corrections	PSPRS	Public Safety Personnel Retirement System
DP	Do Pass	RRD	Retirement and Rural Development Committee (Sen)
DPA	Do Pass as Amended	RTW	Return to Work
DROP	Deferred Retirement Option Plan	SB	Senate Bill
EAR	Education, Accountability and Reform Committee (Sen)	S/E	Strike Everything Amendment
ED	Education Committee (Hse)	Sen	Senate
EE	Employee	SHR	Senate Hearing Room
EGTRRA	Economic Growth and Tax Relief Reconciliation Act of 2001	T&I	Transportation and Infrastructure Committee (Hse)
EORP	Elected Officials' Retirement Plan	TBD	To Be Determined
ENVIRON	Environment Committee (Hse)	UAAL	Unfunded Actuarial Accrued Liability
ER	Employer	VMA	Veterans and Military Affairs Committee (Sen)
FIN	Finance Committee (Sen)	W&E	Water and Energy Committee (Hse)
GF	General Fund	W&M	Ways and Means Committee (Hse)
GI	Government Institutions Committee (Sen)		
GOV	Government Committee (Hse)		
HB	House Bill		
HMLR	Healthcare and Medical Liability Reform Committee (Sen)		

If you have questions regarding ASRS legislation, please contact
ASRS Government Relations Officer
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